

COMMONWEALTH OF VIRGINIA  
STATE CORPORATION COMMISSION

AT RICHMOND, APRIL 15, 2022

CLERK'S OFFICE  
INSTRUMENT CONTROL CENTER

2022 APR 15 P 2:39

220420170

APPLICATION OF

APPALACHIAN POWER COMPANY

CASE NO. PUR-2022-00014

For approval of a rate adjustment clause  
under Va. Code § 56-585.1 A 4

ORDER FOR NOTICE AND HEARING

On April 11, 2022, Appalachian Power Company ("APCo" or "Company") completed the filing of an application ("Application") with the State Corporation Commission ("Commission") pursuant to § 56-585.1 A 4 ("Subsection A 4") of the Code of Virginia ("Code") for approval to implement factors to recover its actual and forecast transmission-related costs through its transmission rate adjustment clause ("T-RAC").<sup>1</sup> Specifically, APCo requests permission to recover a proposed total revenue requirement of \$368.1 million through the T-RAC for the August 2022 through July 2023 rate year ("Rate Year").<sup>2</sup> Pursuant to Code § 56-585.1 A 7, the Commission must issue a final order in this matter not more than three months after the date of filing.

In its Application, APCo states that the transmission costs sought by the Company fall within the definition of costs deemed reasonable and prudent by Subsection A 4.<sup>3</sup> APCo requests a total annual transmission revenue requirement of approximately \$368.1 million, which the Company indicates consists of: (a) a forecast Virginia jurisdictional current-period formula

---

<sup>1</sup> See Application at 1.

<sup>2</sup> *Id.* at 3.

<sup>3</sup> *Id.* at 2.

rate revenue requirement of \$338 million for the Rate Year, based on Federal Energy Regulatory Commission-approved PJM<sup>4</sup> rates for transmission service that went into effect on January 1, 2022; (b) a cumulative Virginia jurisdictional actual under-recovery, or true-up, of \$19.5 million as of February 28, 2022; (c) a forecast Virginia jurisdictional under-recovery amount of \$7.4 million for the period March 2022 - July 2022; and (d) a forecast Virginia jurisdictional revenue requirement of \$3.2 million associated with a pilot program established pursuant to the Code § 56-585.1:10 specific to the Berry Hill and Commonwealth Crossing Industrial Parks.<sup>5</sup> APCo states that its proposed revenue requirement is an increase of approximately \$31 million from the annual T-RAC revenue requirement approved by the Commission in 2021.<sup>6</sup>

APCo states that its proposed T-RAC rates would increase the monthly bill for a residential customer using 1,000 kilowatt hours per month by \$2.88.<sup>7</sup> In addition, APCo filed a Motion for Protective Ruling ("Motion") in accordance with 5 VAC 5-20-170 of the Commission's Rules of Practice and Procedure, 5 VAC 5-20-10 *et seq.* ("Rules of Practice").

NOW THE COMMISSION, upon consideration of this matter, is of the opinion and finds that this matter should be docketed; APCo should provide public notice of its Application; a public hearing should be scheduled for the purpose of receiving testimony and evidence on the Application; interested persons should have an opportunity to file comments on the Application or participate as a respondent in this proceeding; and the Staff of the Commission ("Staff")

---

<sup>4</sup> PJM Interconnection LLC ("PJM").

<sup>5</sup> Application at 3-4.

<sup>6</sup> *Id.* at 4.

<sup>7</sup> *Id.*

should be directed to investigate the Application and file testimony and exhibits containing its findings and recommendations thereon. We also find that a Hearing Examiner should be assigned to conduct all further proceedings in this matter on behalf of the Commission, including ruling on the Company's Motion and filing a final report containing the Hearing Examiner's findings and recommendations.

The Commission takes judicial notice of the ongoing public health issues related to the spread of the coronavirus, or COVID-19. The Commission has taken certain actions, and may take additional actions going forward, which could impact the procedures in this proceeding.<sup>8</sup> Consistent with these actions, the Commission will, among other things, direct the electronic filing of pleadings, unless they contain confidential information, and require electronic service on parties to this proceeding.

We note that the proposed increase to APCo's T-RAC, if approved, would result in an increase to customer bills. We realize that the ongoing COVID-19 public health issues have caused devastating economic effects that impact utility customers. We have responded to this economic emergency by, among other actions, directing Virginia utilities to offer extended payment plans, without late fees for those who are current on such plans, to protect customers from service disconnection. We are sensitive to the effects of rate increases, especially in times

---

<sup>8</sup> See, e.g., *Commonwealth of Virginia, ex rel. State Corporation Commission, Ex Parte: Electronic Service of Commission Orders*, Case No. CLK-2020-00004, Doc. Con. Cen. No. 200330035, Order Concerning Electronic Service of Commission Orders (Mar. 19, 2020), *extended by* Doc. Con. Cen. No. 200520105, Order Regarding the State Corporation Commission's Revised Operating Procedures During COVID-19 Emergency (May 11, 2020); *Commonwealth of Virginia, ex rel., State Corporation Commission, Ex Parte: Revised Operating Procedures During COVID-19 Emergency*, Case No. CLK-2020-00005, Doc. Con. Cen. No. 200330042, Order Regarding the State Corporation Commission's Revised Operating Procedures During COVID-19 Emergency (Mar. 19, 2020) ("Revised Operating Procedures Order"), *extended by* Doc. Con. Cen. No. 200520105, Order Regarding the State Corporation Commission's Revised Operating Procedures During COVID-19 Emergency (May 11, 2020); *Commonwealth of Virginia, ex rel. State Corporation Commission, Ex Parte: Electronic service among parties during COVID-19 emergency*, Case No. CLK-2020-00007, Doc. Con. Cen. No. 200410009, Order Requiring Electronic Service (Apr. 1, 2020).

such as these. The Commission, however, must and will follow the laws applicable to this case, as well as the findings of fact supported by evidence in the record.

Accordingly, IT IS ORDERED THAT:

(1) This matter is docketed and assigned Case No. PUR-2022-00014.

(2) All pleadings in this matter shall be submitted electronically to the extent authorized by 5 VAC 5-20-150, *Copies and format*, of the Commission's Rules of Practice. Confidential and Extraordinarily Sensitive Information shall not be submitted electronically and should comply with 5 VAC 5-20-170, *Confidential information*, of the Rules of Practice. Any person seeking to hand deliver and physically file or submit any pleading or other document shall contact the Clerk's Office Document Control Center at (804) 371-9838 to arrange the delivery.<sup>9</sup>

(3) Pursuant to 5 VAC 5-20-140, *Filing and service*, of the Commission's Rules of Practice, the Commission directs that service on parties and the Staff in this matter shall be accomplished by electronic means. Concerning Confidential or Extraordinarily Sensitive Information, parties and the Staff are instructed to work together to agree upon the manner in which documents containing such information shall be served upon one another, to the extent practicable, in an electronically protected manner, even if such information is unable to be filed in the Office of the Clerk, so that no party or the Staff is impeded from preparing its case.

(4) As provided by Code § 12.1-31 and 5 VAC 5-20-120, *Procedure before hearing examiners*, of the Commission's Rules of Practice, a Hearing Examiner is appointed to conduct all further proceedings in this matter on behalf of the Commission, including ruling on the Company's Motion and filing a final report containing the Hearing Examiner's findings and

---

<sup>9</sup> As noted in the Revised Operating Procedures Order, submissions to the Commission's Clerk's Office via U.S. mail or commercial mail equivalents may not be processed for an indefinite period of time due to the COVID-19 emergency.

recommendations. A copy of each filing made with the Commission's Clerk's office in this matter shall also be sent electronically to the Office of the Hearing Examiners.<sup>10</sup>

(5) The Commission hereby schedules a telephonic hearing for the receipt of testimony from public witnesses on the Application, as follows:

- (a) A hearing for the receipt of testimony from public witnesses on the Application shall be convened telephonically at 10 a.m., on June 8, 2022, with no witness present in the Commission's courtroom.<sup>11</sup>
- (b) To promote fairness for all public witnesses, each witness will be allotted five minutes to provide testimony.
- (c) On or before June 1, 2022, any person desiring to offer testimony as a public witness shall provide to the Commission (a) your name, and (b) the telephone number that you wish the Commission to call during the hearing to receive your testimony. This information may be provided to the Commission in three ways: (i) by filling out a form on the Commission's website at [scc.virginia.gov/pages/Webcasting](http://scc.virginia.gov/pages/Webcasting); (ii) by completing and emailing the PDF version of this form to [SCCInfo@scc.virginia.gov](mailto:SCCInfo@scc.virginia.gov); or (iii) by calling (804) 371-9141.
- (d) Beginning at 10 a.m., on June 8, 2022, the Commission will telephone sequentially each person who has signed up to testify as provided above. This hearing will not be convened, and the parties will be notified of such if no person signs up to testify as a public witness.
- (e) This public witness hearing will be webcast at [scc.virginia.gov/pages/Webcasting](http://scc.virginia.gov/pages/Webcasting).

(6) A public evidentiary hearing on the Application shall be convened at 10 a.m. on June 9, 2022, in the Commission's second floor courtroom located in the Tyler Building, 1300 East Main Street, Richmond, Virginia 23219, to receive testimony and evidence offered by the Company, respondents, and the Staff on the Application.

---

<sup>10</sup> Such electronic copies shall be sent to: [Wendy.Starkey@scc.virginia.gov](mailto:Wendy.Starkey@scc.virginia.gov) and [LeaAnn.Robertson@scc.virginia.gov](mailto:LeaAnn.Robertson@scc.virginia.gov).

<sup>11</sup> The Commission will convene counsel of record in this proceeding to attend the public witness hearing virtually.

(7) An electronic copy of the Company's Application may be obtained by submitting a written request to counsel for the Company, Noelle J. Coates, Esquire, American Electric Power Service Corporation, 3 James Center, 1051 East Cary Street, Suite 1100, Richmond, Virginia 23219, or [njcoates@aep.com](mailto:njcoates@aep.com). Interested persons also may download unofficial copies from the Commission's website: [scc.virginia.gov/pages/Case-Information](http://scc.virginia.gov/pages/Case-Information).

(8) On or before May 5, 2022, the Company shall cause the following notice to be published as display advertising (not classified) on one occasion in newspapers of general circulation throughout the Company's service territory in Virginia:

NOTICE TO THE PUBLIC OF AN APPLICATION BY  
APPALACHIAN POWER COMPANY,  
FOR APPROVAL OF A RATE ADJUSTMENT CLAUSE  
PURSUANT TO VA. CODE § 56-585.1 A 4  
CASE NO. PUR-2022-00014

- **Appalachian Power Company ("APCo") has applied to update its Rider T-RAC by which it recovers certain transmission and demand response program costs.**
- **APCo requests approval of a revenue requirement of \$368.1 million for its T-RAC for the August 2022 through July 2023 rate year. According to APCo, if approved, this would increase the monthly bill of a residential customer using 1,000 kilowatt hours per month by approximately \$2.88.**
- **A Hearing Examiner appointed by the Commission will hold a telephonic hearing in this case on June 8, 2022, at 10 a.m., for the receipt of public witness testimony.**
- **An evidentiary hearing will be held on June 9, 2022, at 10 a.m., in the Commission's second floor courtroom located in the Tyler Building, 1300 East Main Street, Richmond 23219, to receive the testimony and evidence of the Company, any respondents, and the Staff.**
- **Further information about this case is available on the SCC website at:  
[scc.virginia.gov/pages/Case-Information](http://scc.virginia.gov/pages/Case-Information).**

On April 11, 2022, Appalachian Power Company ("APCo" or "Company") completed the filing of an application ("Application") with the State Corporation Commission ("Commission") pursuant to § 56-585.1 A 4 ("Subsection A 4") of the Code of Virginia ("Code") for approval to implement factors to recover its actual and forecast transmission-related costs through its transmission rate adjustment clause ("T-RAC"). Specifically, APCo requests permission to recover a proposed total revenue requirement of \$368.1 million through the T-RAC for the August 2022 through July 2023 rate year ("Rate Year"). Pursuant to Code § 56-585.1 A 7, the Commission must issue a final order in this matter not more than three months after the date of filing.

In its Application, APCo states that the transmission costs sought by the Company fall within the definition of costs deemed reasonable and prudent by Subsection A 4. APCo requests a total annual transmission revenue requirement of approximately \$368.1 million, which the Company indicates consists of: (a) a forecast Virginia jurisdictional current-period formula rate revenue requirement of \$338 million for the Rate Year, based on Federal Energy Regulatory Commission-approved PJM rates for transmission service that went into effect on January 1, 2022; (b) a cumulative Virginia jurisdictional actual under-recovery, or true-up, of \$19.5 million as of February 28, 2022; (c) a forecast Virginia jurisdictional under-recovery amount of \$7.4 million for the period March 2022 - July 2022; and (d) a forecast Virginia jurisdictional revenue requirement of \$3.2 million associated with a pilot program established pursuant to the Code § 56-585.1:10 specific to the Berry Hill and Commonwealth Crossing Industrial Parks. APCo states that its proposed revenue requirement is an increase of approximately \$31 million from the annual T-RAC revenue requirement approved by the Commission in 2021. APCo states that its proposed T-RAC rates would increase the monthly bill for a residential customer using 1,000 kilowatt hours per month by \$2.88.

Interested persons are encouraged to review the Application and supporting documents for the details of these and other proposals.

TAKE NOTICE that the Commission may apportion revenues among customer classes and/or design rates in a manner differing from that shown in the Application and supporting documents and thus may adopt rates that differ from those appearing in the Company's Application and supporting documents.

The Commission has taken judicial notice of the ongoing public health issues related to the spread of the coronavirus, or COVID-19. In accordance therewith, all pleadings, briefs, or other documents required to be served in this matter shall be submitted electronically to the extent authorized by 5 VAC 5-20-150, *Copies and format*, of the Commission's Rules of Practice and Procedure ("Rules of Practice"). Confidential and Extraordinarily Sensitive Information shall not be submitted electronically and should comply with 5 VAC 5-20-170, *Confidential information*, of the Rules of Practice. Any person seeking to hand deliver and physically file or submit any pleading or other document shall contact the Clerk's Office Document Control Center at (804) 371-9838 to arrange the delivery.

Pursuant to 5 VAC 5-20-140, *Filing and service*, of the Commission's Rules of Practice, the Commission has directed that service on parties and the Commission's Staff in this matter shall be accomplished by electronic means. Please refer to the Commission's Order for Notice and Hearing for further instructions concerning Confidential or Extraordinarily Sensitive Information.

The Commission entered an Order for Notice and Hearing that, among other things, scheduled public hearings on APCo's Application. On June 8, 2022, at 10 a.m., a Hearing Examiner appointed by the Commission will hold a telephonic hearing, with no witness present in the Commission's courtroom, for the purpose of receiving the testimony of public witnesses. On or before June 1, 2022, any person desiring to offer testimony as a public witness shall provide to the Commission (a) your name, and (b) the telephone number that you wish the Commission to call during the hearing to receive your testimony. This information may be provided to the Commission in three ways: (i) by filling out a form on the Commission's website at [scc.virginia.gov/pages/Webcasting](http://scc.virginia.gov/pages/Webcasting); (ii) by completing and emailing the PDF version of this form to [SCCInfo@scc.virginia.gov](mailto:SCCInfo@scc.virginia.gov); or (iii) by calling (804) 371-9141. This public witness hearing will be webcast at [scc.virginia.gov/pages/Webcasting](http://scc.virginia.gov/pages/Webcasting).

On June 9, 2022, at 10 a.m., in the Commission's second floor courtroom located in the Tyler Building, 1300 East Main Street, Richmond, Virginia 23219, a Hearing Examiner appointed by the Commission will convene a hearing to receive testimony



and evidence offered by the Company, any respondents, and the Commission's Staff on the Application.

Electronic copies of the Application and other supporting documents may be obtained by submitting a written request to counsel for the Company, Noelle J. Coates, Esquire, 3 James Center, American Electric Power Service Corporation, 1051 East Cary Street, Suite 1100, Richmond, Virginia 23219, or [njcoates@aep.com](mailto:njcoates@aep.com).

On or before June 1, 2022, any interested person may submit comments on the Application electronically by following the instructions on the Commission's website: [scc.virginia.gov/casecomments/Submit-Public-Comments](http://scc.virginia.gov/casecomments/Submit-Public-Comments). Those unable, as a practical matter, to submit comments electronically may file such comments by U.S. mail to the Clerk of the State Corporation Commission, c/o Document Control Center, P.O. Box 2118, Richmond, Virginia 23218-2118. All comments shall refer to Case No. PUR-2022-00014.

On or before May 20, 2022, any person or entity wishing to participate as a respondent in this proceeding may do so by filing a notice of participation with the Clerk of the Commission at: [scc.virginia.gov/clk/efiling](http://scc.virginia.gov/clk/efiling). Those unable, as a practical matter, to file a notice of participation electronically may file such notice by U.S. mail to the Clerk of the Commission at the address listed above. Such notice of participation shall include the email addresses of such parties or their counsel, if available. A copy of the notice of participation as a respondent also must be sent to counsel for the Company. Pursuant to 5 VAC 5-20-80 B, *Participation as a respondent*, of the Commission's Rules of Practice, any notice of participation shall set forth: (i) a precise statement of the interest of the respondent; (ii) a statement of the specific action sought to the extent then known; and (iii) the factual and legal basis for the action. Any organization, corporation or government body participating as a respondent must be represented by counsel as required by 5 VAC 5-20-30, *Counsel*, of the Rules of Practice. All filings shall refer to Case No. PUR-2022-00014.

On or before May 20, 2022, each respondent may file with the Clerk of the Commission, at [scc.virginia.gov/clk/efiling](http://scc.virginia.gov/clk/efiling), any testimony and exhibits by which the respondent expects to establish its case. Any respondent unable, as a practical matter, to file testimony and exhibits electronically may file such by U.S. mail to the Clerk of the Commission at the address listed above.

Each witness's testimony shall include a summary not to exceed one page. All testimony and exhibits shall be served on the Staff, the Company, and all other respondents simultaneous with its filing. In all filings, the respondent shall comply with the Rules of Practice, including 5 VAC 5-20-140, *Filing and service*, and 5 VAC 5-20-240, *Prepared testimony and exhibits*. All filings shall refer to Case No. Case No. PUR-2022-00014.

Any documents filed in paper form with the Office of the Clerk of the Commission in this docket may use both sides of the paper. In all other respects, except as modified by the Commission's Order for Notice and Hearing, all filings shall comply fully with the requirements of 5 VAC 5-20-150, *Copies and format*, of the Commission's Rules of Practice.

The Commission's Rules of Practice, APCo's Application, the Commission's Order for Notice and Hearing, and other documents filed in this case may be viewed on the Commission's website at: [scc.virginia.gov/pages/Case-Information](http://scc.virginia.gov/pages/Case-Information).

#### APPALACHIAN POWER COMPANY

(9) The Company shall serve each official listed in 20 VAC 5-204-10 J 1 as provided by 20 VAC 5-204-10 J 2.

(10) On or before May 20, 2022, the Company shall provide proof of the notice and service required by Ordering Paragraphs (9) and (10), including the name, title, and address of each official served, with the Clerk of the Commission at [scc.virginia.gov/clk/efiling/](http://scc.virginia.gov/clk/efiling/).

(11) On or before June 1, 2022, any interested person may submit written comments on the Application by following the instructions found on the Commission's website: [scc.virginia.gov/casecomments/Submit-Public-Comments](http://scc.virginia.gov/casecomments/Submit-Public-Comments). Those unable, as a practical matter, to submit comments electronically may file such comments by U.S. mail to the Clerk of the State Corporation Commission, c/o Document Control Center, P.O. Box 2118, Richmond, Virginia 23218-2118. All comments shall refer to Case No. PUR-2022-00014.

(12) On or before May 20, 2022, any person or entity wishing to participate as a respondent in this proceeding may do so by filing a notice of participation at [scc.virginia.gov/clk/efiling](http://scc.virginia.gov/clk/efiling). Those unable, as a practical matter, to file a notice of participation electronically may file such notice by U.S. mail to the Clerk of the Commission at the address in Ordering Paragraph (11). Such notice of participation shall include the email addresses of such parties or their counsel, if available. The respondent simultaneously shall serve a copy of the notice of participation on counsel to the Company. Pursuant to 5 VAC 5-20-80 B, *Participation as a respondent*, of the Rules of Practice, any notice of participation shall set forth: (i) a precise statement of the interest of the respondent; (ii) a statement of the specific action sought to the extent then known; and (iii) the factual and legal basis for the action. Any organization, corporation, or government body participating as a respondent must be represented by counsel as required by 5 VAC 5-20-30, *Counsel*, of the Rules of Practice. All filings shall refer to Case No. PUR-2022-00014.

(13) Within five (5) business days of receipt of a notice of participation as a respondent, the Company shall serve upon each respondent a copy of the Application and this Order for Notice unless these materials already have been provided to the respondent.

(14) On or before May 20, 2022, each respondent may file with the Clerk of the Commission, at [scc.virginia.gov/clk/efiling](http://scc.virginia.gov/clk/efiling), any testimony and exhibits by which the respondent expects to establish its case. Any respondent unable, as a practical matter, to file testimony and exhibits electronically may file such by U.S. mail to the Clerk of the Commission at the address in Ordering Paragraph (11). Each witness's testimony shall include a summary not to exceed one page. All testimony and exhibits shall be served on the Staff, the Company, and all other respondents simultaneous with its filing. In all filings, the respondent shall comply with the

Rules of Practice, as modified herein, including, but not limited to: 5 VAC 5-20-140, *Filing and service*, and 5 VAC 5-20-240, *Prepared testimony and exhibits*. All filings shall refer to Case No. PUR-2022-00014.

(15) The Staff shall investigate the Application. On or before May 20, 2022, Staff shall file with the Clerk of the Commission, its testimony and exhibits, and each Staff witness's testimony shall include a summary not to exceed one page. Staff shall serve a copy thereof on counsel to APCo and all respondents.

(16) On or before May 31, 2022, APCo shall file with the Clerk of the Commission: any rebuttal testimony and exhibits that it expects to offer, and each rebuttal witness's testimony shall include a summary not to exceed one page. The Company shall serve a copy of its rebuttal testimony and exhibits on the Staff and all respondents.

(17) Any documents filed in paper form with the Office of the Clerk of the Commission in this docket may use both sides of the paper. In all other respects, except as modified herein, all filings shall comply fully with the requirements of 5 VAC 5-20-150, *Copies and format*, of the Commission's Rules of Practice.

(18) The Commission's Rule of Practice 5 VAC 5-20-260, *Interrogatories to parties or requests for production of documents and things*, shall be modified for this proceeding as follows: responses and objections to written interrogatories and requests for production of documents shall be served within four (4) calendar days after receipt of the same. In addition to the service requirements of 5 VAC 5-20-260, on the day that copies are filed with the Clerk of the Commission, a copy of the interrogatory or request for production shall be served electronically on the party to whom the interrogatory or request for production is directed or the assigned Staff

attorney if the interrogatory or request for production is directed to the Staff.<sup>12</sup> Except as modified above, discovery shall be in accordance with Part IV of the Commission's Rules of Practice, 5 VAC 5-20-240 *et seq.*

(19) This matter is continued.

A COPY hereof shall be sent electronically by the Clerk of the Commission to:

Noelle J. Coates, Esquire, American Electric Power Service Corporation, 3 James Center, 1051 East Cary Street, Suite 1100, Richmond, Virginia 23219, [njcoates@aep.com](mailto:njcoates@aep.com); James R. Bacha, Esquire, American Electric Power Service Corporation, 1 Riverside Plaza, Columbus, Ohio 43215, [jrbacha@aep.com](mailto:jrbacha@aep.com); and C. Meade Browder, Jr., Senior Assistant Attorney General, Office of the Attorney General, Division of Consumer Counsel, 202 N. 9th Street, 8th Floor, Richmond, Virginia 23219, [MBrowder@oag.state.va.us](mailto:MBrowder@oag.state.va.us).

---

<sup>12</sup> The assigned Staff attorney is identified on the Commission's website, [scc.virginia.gov/pages/Case-Information](http://scc.virginia.gov/pages/Case-Information), by clicking "Docket Search," then clicking "Search by Case Information," and entering the case number, PUR-2022-00014, in the appropriate box.